



EDUCATION CABINET  
DEPARTMENT FOR WORKFORCE INVESTMENT

Ernie Fletcher  
Governor

Office of Employment and Training  
Division of Workforce Services  
275 East Main Street  
Frankfort, Kentucky 40621  
(502)564-5360  
(502)564-8974  
www.oet.ky.gov

Virginia G. Fox  
Secretary

Penny R. Armstrong, Ed.D.  
Executive Director

WIA INFORMATION MEMO #103

TO: LWIA Directors

FROM: Dr. Penny R. Armstrong, Executive Director  
Office of Employment and Training

DATE: April 14, 2005

SUBJECT: Funding of Kentucky's Trade Program Reemployment Services

On April 1, 2005, the Office of Employment and Training (OET) began the transition of the reemployment services component of the Trade Adjustment Assistance for Workers (TAA) program to Kentucky's Local Workforce Investment Areas (LWIAs). This memo is being issued to provide the basic outline of the program's funding and the methods to be used to fund the services being transitioned to the LWIAs.

Currently, OET receives annual funding from the U.S. Department of Labor (DOL) through a Notice of Obligation (NOO) entitled **Trade (TAA) Training Grants** to provide the reemployment services. The total amount of the NOO is separated into categories of **Trade (TAA) Training – Program** and **Trade (TAA) Training –Administration**. The costs associated with the reemployment services described in the program's regulations at 20 CFR Part 617 that are provided directly to or on behalf of a participant (training, supportive services, job search allowances, relocation allowances, etc.) are categorized as **TAA Training – Program**. All other costs incurred for the provision of those services by program staff (participant evaluations, development of training plans, case management, training approval process, program administrative activities etc.) are categorized as **TAA Training – Administration**.

All funds awarded to the LWIAs for the TAA program will be made via the Notice of Fund Availability (NFA) process currently employed for the WIA program funding and issued under the authority of each LWIA's Master Agreement written with OET.

Due to the current limited availability of TAA funds, OET will initially provide funding to the LWIAs for Trade Program activities from the State's Rapid Response – Additional Assistance pool. NFAs will be issued in mid-April 2005 from WIA grant no. 27105DWZ (FY 2005) for this purpose. Although the expenses will be incurred for the TAA program, they should be drawn against and be reported on the DTR-38 under grant no. 27105DWZ on the *Rapid Response – Additional Assistance* line item. **LWIAs may use the funding to cover any Trade-related expenses incurred except administrative-type costs as defined in the WIA regulations.** The TAA regulations define "administrative costs" differently than the WIA regulations by including case management activities and other related costs that are considered as "program" costs under WIA.

As you are aware, the WIA regulations do not allow administrative costs (as defined in the WIA regulations) to be charged to the Rapid Response funding. In those cases where an LWIA incurs costs for the TAA program that are considered “administrative” in nature according to the WIA definition that cannot be charged against the Rapid Response – Additional Assistance funding, the costs should be charged to their WIA administrative cost pool and allocated to the WIA funding streams using their customary methods. In those cases where there are not sufficient levels of administrative cost available in the administrative pool's budget, they should notify OET to arrange for the provision of “State Administration” funds to cover the costs. LWIAs will not be required to report the Rapid Response – Additional Assistance expenses incurred for the Trade program separately on the DTR-38, however, it is recommended that they design their account code structure to identify these costs in case the need arises for separate reporting or analytical purposes in the future.

A separate NFA will be issued in the future to award **TAA Training – Program** funding under newly established grant numbers for the TAA program. The use of this funding is restricted to the costs associated with the reemployment services described in the program's regulations at 20 CFR Part 617 that are provided directly to or on behalf of a participant (training, supportive services, job search allowances, relocation allowances, etc.). All **Trade (TAA) Training – Program** expenses will be reported to OET via a new OET-39, Monthly Expenditure Report that will be distributed to all LWIAs in the near future. The expenses related to this activity will be drawn against and reported on the new OET-39 against the new grant numbers.

If you have any questions regarding this issuance or the financial aspects of the Trade transition, please contact Michael Harmon in the Program and Operations Branch at 502-564-5360.

PRA/mh